

**Before the
ENERGY AND TECHNOLOGY COMMITTEE
Connecticut General Assembly
Hartford, Connecticut**

February 23, 2010

**COMMENTS OF THE
CONSUMER ELECTRONICS ASSOCIATION
ON**

H.B. No. 5217

The Consumer Electronics Association (CEA) represents more than 2,000 companies, including many companies in Connecticut, involved in the design, development, manufacturing, distribution and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. CEA members design, make, sell and install consumer audio and video equipment, televisions and other high tech products which could be impacted by **House Bill 5217** or similar legislation.

CEA's concerns are focused on four provisions in the current version of HB 5217:

1. Compact audio products;
2. DVD players and recorders;
3. Televisions; and
4. Requirements for the State of Connecticut to impose future regulations.

Appliance energy efficiency standards are not appropriate for electronics.

Consumer electronics are vastly different by design and function than the residential, industrial and commercial equipment that is referenced in this legislation. The market for consumer electronics is dynamic, highly competitive and characterized by rapid innovation, significant time-to-market pressures, rapid rates of market penetration, and rapid transition from one technology to another. These characteristics are a major distinction between the high tech products included in the legislation (compact audio products and DVD players/recorders and televisions) and other equipment named in the bill (air conditioners, pool heaters, boilers, etc.).

In addition, there are significant design, performance and use differences between televisions, consumer audio and video products and the electro-mechanical equipment referenced in this legislation. Unlike such equipment, which tends to be designed for a single purpose (heating,

cooling, pumping water, etc.), televisions and other consumer video and audio products are complex, high tech devices that typically offer several features and functions and are used in at least three ways that distinguish them from commercial and industrial machines. People use consumer electronics to (1) communicate with one another; (2) be entertained; and (3) to receive and store and transfer information. We believe it is inappropriate and economically and technologically damaging for Connecticut to burden consumers, retailers and manufacturers of high tech products with state-imposed regulations for energy efficiency –especially when better alternatives exist which are already working to save energy, such as the national ENERGY STAR program.

Artificial energy use limits on TVs would have profoundly negative economic impacts, including the removal of a significant number of TVs from retail store shelves, resulting in lost sales and lost jobs.

A recent study of a similar proposal in California concerning televisions projected that such regulations for TVs would destroy 4,600 jobs that are tied to TV sales, distribution and installation, and would cost California \$50 million a year in lost tax revenues (Source: Resolution Economics, LLC).

The regulations for TVs proposed in HB 5217 are unnecessary. Energy consumption by today's digital television models approximates the energy required for two light bulbs. That's it: two average light bulbs. Contrary to the disinformation spread by certain proponents of regulation, digital TVs are hardly the electronic equivalent of gas-guzzling Hummers. And through continuous improvements, manufacturers are bringing those levels even lower. Beginning many years ago, consumer electronics manufacturers developed and implemented improved energy-saving digital TV technologies.

The latest figures from U.S. EPA's ENERGY STAR program indicate that more than 1,240 television models comply with the current Version 3.0 on-mode efficiency as well as standby mode requirements for televisions. **In less than two years, the energy efficiency of ENERGY STAR digital TVs has been improved by more than 41 percent.** These successful efforts occurred not because of any government mandates or state regulations. They resulted from competition among manufacturers to reduce costs to consumers in the global marketplace.

In addition, the EPA recently revised the qualifications for televisions to achieve the ENERGY STAR label, requiring TVs to be 40 percent more energy efficient than conventional models. Televisions meeting EPA's new, more stringent ENERGY STAR Version 4.0 specification will be available in stores nationwide starting May 1, 2010. And even tighter qualification levels will be required with Version 5.0, currently set for May 1, 2012.

Voluntary, consumer-oriented programs such as ENERGY STAR are working successfully already and have resulted in significant energy savings and reduced greenhouse gas emissions.

The consumer electronics industry is a strong supporter of the voluntary, market-driven and national approach to saving energy represented by the federal ENERGY STAR program (www.energystar.gov). This successful public-private partnership, which benefits from strong

participation by manufacturers and retailers, captures a broad range of consumer electronics – including the consumer audio and video products named in HB 5217. ENERGY STAR succeeds by creating a competitive incentive for energy savings. The ENERGY STAR program, coupled with the natural trends toward energy efficiency in electronics design, provides consumers with the products and features they demand, along with a logo recognized by more than 75 percent of consumers, according to the EPA. The market penetration of ENERGY STAR products in the consumer electronics sector has been significant, particularly for televisions and consumer audio and video products for which this legislation proposes regulatory mandates. The success of ENERGY STAR represents an energy savings achievement in Connecticut as well as the U.S. Notably, this achievement is a direct result of the voluntary, industry-supported and consumer-focused nature of the ENERGY STAR program. Connecticut state regulations for televisions and consumer audio and video equipment are completely unnecessary.

ENERGY STAR Program Achievements: Energy Saved (Billion kWh)

ENERGY STAR Product Category	2006	2007	2008
Consumer Electronics (including A/V)	12.3	14.7	19.2
Residential Office Equipment	6.3	8.5	7.7

Source: ENERGY STAR Annual Reports, 2006-2008.

ENERGY STAR Program Achievements: Emissions Avoided (MMTCE)

ENERGY STAR Product Category	2006	2007	2008
Consumer Electronics (including A/V)	2.4	2.8	3.6
Residential Office Equipment	1.2	1.6	1.5

Source: ENERGY STAR Annual Reports, 2006-2008.

States have overwhelmingly rejected appliance efficiency standards for high tech consumer products.

<i>State</i>	<i>Bill No. (Year)</i>	<i>Mandatory standards and regulations for consumer audio and/or video products</i>
AZ	HB 2390 (2005)	Rejected
CT	HB 5523 (2006)	Rejected
HI	HB 3050 (2006) HB555 (2009)	Rejected
MD	SB 674 (2007) HB1238 (2009)	Rejected
MO	SB433 (2009)	Rejected
MN	SB 656/HF 864 (2009)	Rejected
NJ	AB 1763/SB 1253 (2009)	Rejected
NV	SB242 (2009)	Rejected
RI	SB 2844 (2006) & HB 7610 (2006)	Rejected
TN	HB 46/SB827 (2007) HB1709/SB486 (2009)	Rejected
TX	SB 16 (2009) SB 12 (2007)	Rejected
VT	HB 253 (2006) H316 (2009)	Rejected
WA	HB 2758 (2008) HB1004 (2009)	Rejected

HB 5217 would weaken the criteria that the State of Connecticut must meet before mandating potentially burdensome and costly product regulations that impact local businesses and consumers.

In addition to the product-specific provisions of concern mentioned above, HB 5217 also would effectively weaken existing law in the State of Connecticut with regard to future energy efficiency regulations on residential, commercial and industrial appliances and equipment, including a wide range of consumer products. Section (d)(3)(B) of the HB 5217 would obligate Connecticut to follow another state's adopted regulation regardless of the impact of that regulation on Connecticut consumers and businesses, and regardless of whether any substantive or careful economic or technical analysis was conducted by that other state.

Conclusion

CEA is a strong supporter of the voluntary, market-driven and national approach to energy efficiency represented by the federal ENERGY STAR program. This successful government-

industry effort, which benefits from strong participation by manufacturers, retailers and other stakeholders, already captures a broad range of consumer audio and video products and creates a competitive incentive for energy savings. This program, coupled with the natural trends toward energy efficiency in electronics design, provides consumers with the products and features they demand.

In many ways, electronics are part of an energy savings solution. Many home networking products help save energy by providing increased control over home heating, cooling and lighting systems. Information technology and telecommunications products allow teleworking and remote access to information and entertainment content, both of which save fuel and reduce greenhouse gas emissions.

A recent national study commissioned by the Consumer Electronics Association shows that using electronics to telecommute saves the equivalent of 9 to 14 billion kilowatt-hours of electricity per year – the same amount of energy used by roughly 1 million U.S. households every year. The findings also indicate the estimated 3.9 million telecommuters in the United States reduced gasoline consumption by about 840 million gallons, while curbing carbon dioxide (CO2) emissions by nearly 14 million tons. This level of CO2 reduction is equal to removing 2 million vehicles from the road every year.

CEA respectfully urges you to oppose HB 5217.

Respectfully submitted,

CONSUMER ELECTRONICS
ASSOCIATION

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